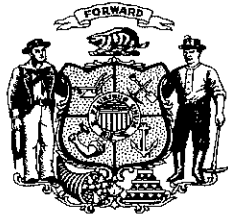


STATE OF WISCONSIN

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative Robin Vos

Date: November 15, 2011

Re: DCF Report to JFC

Attached is a report on Wisconsin Shares Program from the Department of Children and Families.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:RV:jm



wisconsin department of
children + families

201 East Washington Avenue, Room G200

P.O. Box 8916

Madison, WI 53708-8916

Governor Scott Walker
Secretary Eloise Anderson

Secretary's Office

November 15, 2011

RECEIVED
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BY: J. Finance

Honorable Alberta Darling, Senate Co-Chair
Joint Committee on Finance
Room 317 East, State Capitol
Madison, WI 53702

Honorable Robin Vos, Assembly Co-Chair
Joint Committee on Finance
Room 309 East, State Capitol
Madison, WI 53702

Dear Senator Darling and Representative Vos:

This letter provides the Department of Children and Families' November 2011 report on the Wisconsin Shares Program. The information below is a compilation of data requested by the Committee related to DCF's fraud prevention, investigation and overpayment collection activity.

Wisconsin Shares Fraud Prevention, Detection and Recovery Expenditures, October 2011

Expenditures related to fraud prevention and investigation: \$142,900

The above amount represents the October 2011 costs of the Child Care Fraud Detection and Investigation Unit, information technology programming costs, and an estimate of county expenditures from their DCF allocations for investigating suspected fraudulent activity.

Expenditures related to recovering overpayments due to error or fraud: \$44,400

The October 2011 expenditures related to recovering overpayments due to error or fraud are estimated above. The Public Assistance Collections Unit (PACU) of DCF coordinates the Department's efforts to collect public assistance overpayments, including Wisconsin Shares, which are attributed to participant error or fraud.

Overpayment and/or restitution collected by DCF: \$209,998

In October 2011, DCF collected \$61,885 in child care overpayments that were the responsibility of the individual for whom the child care subsidy was paid plus \$148,113 in child care overpayments that were the responsibility of child care providers. These collections are the result of ongoing efforts to recover historical overpayments. Most collections to date are owed to DCF as a result of an administrative finding that an overpayment has occurred.

T 608.266.8684 F 608.261.6972 dcf.wi.gov

DCF-F-22-E (R. 01/2011)

Overpayment and/or restitution collected by other agencies: \$0

No overpayments and/or restitution collections have been reported by other agencies in October 2011 to DCF.

Providers Suspended from the Wisconsin Shares Program, October 2011

During the month of October, DCF suspended payments to four child care providers. All four were from Milwaukee County. The Department continues to review the details of Milwaukee County suspensions with the Child Care Anti-Fraud Task Force.

Also, during October a total of \$321,242 in overpayments were established in the Department's tracking system against all providers suspended from the Wisconsin Shares program. Through October the cumulative total for overpayments established against suspended providers since January of 2009 stands at \$8,743,257.

Automatic Authorization of Child Care Hours System

Number of changes made to authorized hours during the month: 1,831 changed authorizations

This figure reports the total number of active authorizations in October that were reduced by the automated system.

Total reduction made to the authorized hours during the month: 19,050 hours

This figure reports the total number of hours taken off of active authorizations in October that were reduced by the automated system.

Estimated savings in the month due to the automated authorization adjustment system: \$116,693

This is an estimate of the maximum potential savings for those active authorizations in October that were reduced by the automated system.

Were child care quality improvements identified via use of the new system? To date, no.

The system was launched on May 15, 2010 and was designed primarily to improve consistency in the authorization process rather than to identify opportunities for making quality improvements.

Estimated annualized ongoing costs to operate the automated system: \$50,000

The primary ongoing cost is for mailing notices to parents and providers. Ongoing staff time to run the automated check is estimated at 30 minutes per month.

Thank you for the opportunity to share information on the status of the Shares program.

Sincerely,



Joan Hansen
Deputy Secretary

cc: Mike Huebsch, Department of Administration
Bob Lang, Legislative Fiscal Bureau

**Wisconsin Shares Provider Suspensions
October 2011**

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped	Overpayment Established	Referred to Law Enforcement	Collection
A Whole Village Child Dev Center	Milwaukee	10/21/2011	<p>The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 2) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.</p> <p>The Department has evidence that the provider:</p> <ul style="list-style-type: none"> ▪ Billed for more hours than children actually attended. ▪ Billed for children who were not in attendance. ▪ Billed for children who did not appear on the attendance records or were marked as absent on the attendance records. ▪ Maintained attendance records anticipating children's attendance, rather than being an actual record of children's attendance. 	Yes	\$7,081.02	Yes	No

**Wisconsin Shares Provider Suspensions
October 2011**

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped	Overpayment Established	Referred to Law Enforcement	Collection
Kingdom Kids Child Care Center	Milwaukee	10/21/2011	<p>The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 2) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.</p> <p>The Department has evidence that the provider:</p> <ul style="list-style-type: none"> ▪ Billed for more hours than children actually attended. ▪ Billed for children who did not appear on the attendance records or were marked as absent on the attendance records. 	Yes	\$28,108.12	Yes	No

**Wisconsin Shares Provider Suspensions
October 2011**

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped	Overpayment Established	Referred to Law Enforcement	Collection
Miss Daisy's Family Day Care	Milwaukee	10/21/2011	<p>The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 2) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.</p> <p>The Department has evidence that the provider:</p> <ul style="list-style-type: none"> ▪ Billed for more hours than children actually attended. ▪ Billed for children who did not appear on the attendance records or were marked as absent on the attendance records. ▪ Maintained attendance records anticipating children's attendance, rather than being an actual record of children's attendance. 	Yes	\$21,180.17	Yes	No

**Wisconsin Shares Provider Suspensions
October 2011**

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped	Overpayment Established	Referred to Law Enforcement	Collection
Young's Family Day Care	Milwaukee	10/21/2011	<p>The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to have attendance records available at the child care site when the department requested to review them; 2) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 3) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.</p> <p>The provider was unable to provide investigators with requested attendance records for the following weeks 10/24/2010, 10/31/2010, 11/7/2010, 1/9/2011, 1/16/2011, 1/23/2011, and 8/28/2011.</p> <p>The Department has evidence that the provider:</p> <ul style="list-style-type: none"> ▪ Billed for more hours than children actually attended. ▪ Billed for children who did not appear on the attendance records or were marked as absent on the attendance records. 	Yes	\$41,751.87	Yes	No

**Wisconsin Shares Provider Suspensions
October 2011**

			<ul style="list-style-type: none">▪ Maintained attendance records anticipating children's attendance, rather than being an actual record of children's attendance.▪ Billed for children no longer attending the provider's child care center, even after the parents stopped bringing their children to the provider's child care center.				
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